



COCA-COLA PLAZA
ATLANTA, GEORGIA

MARK PREISINGER
ASSISTANT VICE PRESIDENT AND DEPUTY SECRETARY
SENIOR DIRECTOR OF SHAREOWNER AFFAIRS

ADDRESS REPLY TO:
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February 24, 2006

Ms. Christianna Wood
Senior Investment Officer, Global Equity
CalPERS Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749

Dear Ms Wood:

I am writing to respond to your letter of February 2006, addressed to our CEO, Neville Isdell, with reference to questions about Sudan. I believe that the following will provide you with the information you need in answer to your inquiry about the alleged violation of the license which The Coca-Cola Company (Company) has from the Office of Foreign Assets Control (OFAC). As always, we are available to discuss further if you have any questions.

Because of U.S. sanctions, please allow me to begin by providing an accurate picture of the Company's business dealings with a private company in the Sudan. The Company has no business investments in the Sudan, nor does it do any business with the government of Sudan. Our Company sells beverage base to a private company there which serves as a bottler of Coca-Cola and some other of its brands. This is done with the approval of OFAC under a license granted by it to the Company.

As to your specific question, in July 2004, The Coca-Cola Company, through its internal review processes, uncovered alleged violations of its OFAC license to sell beverage base to this soft drink bottler in the Sudan. Our license with OFAC does not allow the Company to do certain things in the Sudan that are commonplace in other areas of the world, such as providing financial support through marketing or loans to companies that we appoint as our bottlers. Unfortunately, management based in Morocco, and whose responsibilities included the Sudan, appeared to take several actions that could be considered as financial support or lending.

Our Company took the alleged violations very seriously as reflected in the way we responded to them, including self reporting to OFAC in timely manner. Further, we have taken, and continue to take, all the measures necessary to ensure that there will be no repetition of this conduct in the future

After an internal review and an investigation by outside counsel of these possible violations, the Company voluntarily disclosed them to OFAC in September of 2004. Outside counsel was retained to conduct a full investigation, which continued over the next four months. A detailed report was completed by outside counsel and submitted to OFAC in early January 2005.

After taking into account relevant mitigating factors including self disclosure, and strong remedial steps, a civil settlement of US \$136,500.00 was finally agreed with, and paid to, OFAC in the first two weeks of January of this year

The compliance program has been and continues to be enhanced. This includes the preparation and distribution to concerned employees of enhanced guidelines, training programs, establishment of a website, auditing and internal quarterly and annual reporting by responsible management. Finally, disciplinary measures have been taken with regard to associates involved, including dismissal.

We appreciate the opportunity to address your concerns. If you should require any additional information or have any questions, please do not hesitate to let me know.

Kind regards,

A handwritten signature in black ink, appearing to read "Mike", followed by a large, stylized loop.

Mr. E. Neville Isdell, Chairman and CEO, The Coca-Cola Company
Ms. Anne Stausboll, Interim Chief Investment Officer, CalPERS
Mr. Dennis Johnson, Senior Portfolio Manager, CalPERS